

Magyar Országos Levéltár (MOL) – Hungarian National Archive

KÜM TÜK 1984, IV. fej., ANGLIA, 30. doboz

6-13 0080/7 Tárgyalási tématerv Lázár elvtárs részére a M.Thatcher brit min.eln.asszonyal folytatandó négyszemközti tárgyaláshoz. 0080/7 - Plan for Themes of Negotiation for Comrade Lázár to Be Used During the Tête-à-tête [in Hungarian 'eye-to-eye contact'] Conversation with M. Thatcher, British Prime Minister

Inside the cover:

[Handwritten note: "We have not got material from NGKT [Nemzetközi Gazdasági Kapcsolatok Intézete/Titkársága = Institute/Office of International Economic Relations] the economic references are based on the relatively not new material received from KKM [Külkereskedelmi Minisztérium = Ministry of Foreign Trade]. E [probably stands for Cr Esztergályos]"

[Under it handwritten note with different handwriting: "1 copy for Cr. Lázár, 1 copy for Cr. Szűrös, 1 copy for Cr. Horn was taken out by me. 1/17 [illegible signature, maybe Á[bri?]né]"

[with a different handwriting note written with pencil which is crossed: "1 copy at Cr. Esztergályos]"

[Other handwriting: "1 copy Marjai]"

1 copy for Cr. M. [Mátyás] Domokos [ambassador in London]

84.09.25. R. Rák [?] [initials "RR" signed next to it]

[with a different handwriting: "2 copies scrapped. 28 Sept 1984" [illegible signature]]

[with a different handwriting: "3 copies scrapped. 21. IV. 1999." [illegible signature]]

Final version of the document (two earlier drafts follow)

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FOREIGN OFFICE
0080/7/1983

STRICTLY CONFIDENTIAL!

Plan for themes of negotiation

for Comrade Lázár to be used during tête-à-tête [in Hungarian 'eye-to-eye contact'] discussion with Margaret Thatcher, British prime minister.

- Praising the visit of prime minister Thatcher. Prime ministerial [in original Hungarian "of heads of government"] discussions get special importance in conditions of international tension. We are happy that also from the British part they find it important to maintain the dialogue.

- The main contents of Hungarian-British relations are practical to be looked through during the plenary talk. Here only that [should be told] that we evaluate positively its formation [i.e. Hungarian-British relations]; we are ready for its improvement. The Hungarian government appreciates the support that we received from the British government upon our admission to the International Monetary Fund and the World Bank.

- We consider one of our bilateral relations' most important element the commercial, economic, financial relations. It is not reasonable [*the Hungarian word means also 'legitimate'*] and it does not coincide with our purposes that Great Britain in our turnover of goods runs with our developed Western partners in our export fell back to the eighth, in our import fell back to the seventh position. To change this there would be need of bigger activity and more prospective [*in original Hungarian "pointing ahead"*] thinking from both parties. For example the coordinational relations between industrial companies, both on bilateral and third markets (chemical industry, pharmaceutical industry, mining, electronics, computer science) could be improved. An important field of extension of relations could be the foundation of joint corporations. We would be willing to see British capital in the establishment of productive joint ventures in Hungary.

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- We consider important credit granting which promotes [*facilitates*] businesses. But we would not be willing to see a generalisation, - and from the English part we have not met this - which starts out from the unilateral setting of solvency of socialist countries and their volume of debt. [*English meaning unclear: Hungary seeks no forgiveness of debt?*] We positively evaluate the attitude of the Bank of England towards us in the past, very difficult borrowing period, and the support that the British banks give to the Hungarian National Bank's affiliate in London.

- Western Europe plays a great role in Hungary's foreign trade. The developed Western countries have a share more than third of our foreign trade, and 60 per cent of this is represented by the common market countries. It is important for us that our commercial-political hardships with the European Economic Community (drawbacks of customs, the protectionist characteristic of joint agricultural policy, general restrictions on quantity and discriminative restrictions on quantity) we solve. We pursue constructive solutions and we wait for our British partner's contribution in this.

(The NKGT [*Nemzetközi Gazdasági Kapcsolatok Intézete/Titkársága = Institute/Office of International Economic Relations*] prepares separate material.)

- Also the international situation should be looked through at the plenary session, and also there only broadly [*in original Hungarian "in big lines" meaning that "not going into details"*], since at the meeting planned with comrade Kádár this will obviously be [*in Hungarian "having a role"*] emphasised. It is not a secret that we are worried about European developments [*news*], especially because of the situation created by the start of deployment of American medium-range missiles in Western Europe. We judge radically differently the reasons of the situation, it would not have sense to argue about it for long. We should rather discuss [*in original Hungarian "change words"*] how it should be in future? We are still next to continuing discussions and the dialogue in case there is an opportunity to discuss sensibly [*in original Hungarian "in merits"*]. Now the main task is to create the suitable conditions for the re-start of sensible discussions. We see this in the situation before the deployment, but what this means and how it can be achieved should be discussed.

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Unfortunately, we see that the United States is not interested in this; out of military and not least political reasons she [US] wishes to carry out the deployment. On the countries admitting the missiles – especially from England and the FRG – depends to a higher degree how the situation will proceed.

- Our country's foreign policy lies on firm principles without a change, it does not change according to the wind's blowing. Our aim is that the People's Republic of Hungary's international positions would suffer the least possible harm in this difficult international political and economic situation. It is undeniable that we are a small country and we cannot have a decisive influence on world political questions (the sometimes and here and there for us offered role of 'bridge' or 'mediator' in theory is faulty, in practice is unnecessary, it is superfluous to even talk about it), but according to our humble opportunities we try to give voice to our standpoint. We have entirely fulfilled our obligations as an ally, but we still wish to stay an open country in terms of political, economic, cultural and human relations as well, based on those principles we undertook by signing the Helsinki accords.

Budapest, 16 January 1984

[The folder contains an earlier draft of this document, and an amended version of it from which the final draft has been constructed.]

Second document (likely first draft)

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Version made by the V. Ter. Dep.

FOREIGN OFFICE

PLAN FOR THEMES OF NEGOTIATION

for Comrade Lázár to be used during tête-à-tête [*in Hungarian 'eye-to-eye contact'*] discussion with Margaret Thatcher, British prime minister

- We suggest that Comrade Lázár praise prime minister Thatcher's visit, in whose person we greet the highest ranked British politician in the history of the two countries' relation who has ever visited Hungary. Underline the importance of discussions in the current tense international situation. We are happy that also from the British part they share our standpoint about the importance of maintaining the dialogue.

- Express his hope that prime minister Thatcher's discussions in Budapest give an opportunity to overview the most important international questions and the situation of Hungarian-British relations.

- Give brief information of our internal situation, our economic constructive work, our plans for which realisation we are highly interested in the improvement of international political relations and the prosperity, strengthening of economic relations.

- The escalation [*in original Hungarian 'sharpening'*] of the international situation, the escalation of arms race, the Eastern-Western

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relations' retrogression, the activation of power politics, the strengthening of the confrontational line [*in original Hungarian "strength line" i.e. the line which shows a way, a pattern*] fill us with worries, [*e.g. "worries us"*]. We find especially threatening the Western-European deployment of American medium-range missiles. This resulted in the aggravation of the situation, it cannot be feigned that nothing has happened. We still stand for the continuation of discussions, the dialogue, if there is opportunity to discuss in merit. But there is need for those kind of meritable discussions which do not only serve the temporary tranquillisation of the worried public opinion, but for those which lead to a compromise based on equal security. We profess [*'state'*] that the suggestions of the Warsaw Pact serve as suitable basis for this.

- Concerning our country's foreign policy, it lies on firm principles and it does not change according to the wind's blowing. Our aim is that the People's Republic of Hungary's international positions would suffer the least possible harm in this difficult international political and economic situation. It is undeniable that we are a small country and we cannot have a decisive influence on world political questions, but according to our humble opportunities we try to give voice to our standpoint. We still wish to stay an open country in terms of political, economic, cultural and human relations as well, based on those principles we undertook by signing the Helsinki accords.

- We evaluate positively the formation of our relations so far. On our side there is every willingness [*original Hungarian word means also 'capability'*] to further improve them based on mutual advantages. We greet that we experience the same willingness from the British government. The Hungarian government appreciates the support that we received from the British government upon our admission to the International Monetary Fund and the World Bank.

- We consider one of our bilateral relations' most important element the commercial, economic, financial relations. While our commercial turnover with the United Kingdom until 1980

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was satisfactorily developing, - in our export it occupied the fourth, while in our import the fifth place -, from 1981 it stagnated and therefore in our turnover of goods run with our developed Western partners in our export fell back to the eighth, in our import fell back to the seventh position. Our deficit greatly grew at the beginning of the '80s, and this deficit, although its size [*in original Hungarian "its greatness"*] is variable, it is still significant. We wish to change this first of all not by decreasing our import, but by increasing our export.

- The main [*in original Hungarian 'decisive'*] reason for the Hungarian export's unfavourable conformation is the economic retrogression and and the Common Market's agricultural policy. Furthermore, our textile and steel export to the United Kingdom falls under quantitative restriction. We have remonstrance of principle [*the original Hungarian sentence says "in our remonstrance of principle" –the sentence has no predicate, so there is possible error in the original text. It might be a simple typo - 'van', meaning "there is", for the suffix '-ban' i.e. 'in'.*] against the maintenance of certain narrow [*i.e. it is against only a small group*], discriminative – which incapacitate our export – contingents. At the moment 4-5 per cent of our export to the United Kingdom falls under such a restriction, we claim its total and final abolition.

- We wish to improve the cooperational relations between Hungarian and British industrial companies, both on bilateral and third markets as well /chemical industry, pharmaceutical industry, mining, electronics, computer science/. An important field of extension of relations could be the foundation of joint corporations. We would be willing to see British capital in the establishment of productive joint ventures in Hungary.

- We consider important credit granting which promotes [*facilitates*] businesses. We cannot accept a generalisation which starts out from the unilateral setting of solvency of

socialist countries and their volume of debt. [*English meaning unclear: Hungary seeks no forgiveness of debt?*] We positively evaluate the attitude of the Bank of England towards us in the past, very difficult borrowing period, and the support that the British banks give to the Hungarian National Bank's affiliate in London, the Hungarian International Bank.

- Western Europe plays a great role in Hungary's foreign trade. In our whole foreign trade the developed Western

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countries have a share of more than one-third of our foreign trade, and 60 per cent of this is represented by the common market countries. It is important for us that our commercial-political hardships with the European Economic Community /drawbacks of customs, the protectionist characteristic of joint agricultural policy, general restrictions on quantity and discriminative restrictions on quantity/ we solve. We pursue constructive solutions and we wait for our British partner's contribution in this.

- We have received suggestion several times from Brussels to set a Hungarian-Common Market commercial agreement. For us are suitable ways neither the terms offered in 1974, nor the agreement to be set with Romania. We would be willing to extend our existing system of contract with the Common Market which goes beyond [*in original Hungarian "points beyond"*] those that are already contained on our GATT contract and would even mean partial solution to our problems.

- In our relations with the Common Market the most important question for us is ensuring our agricultural and food industrial export. Due to the Common Market's protectionism, our agricultural export towards the United Kingdom is hardly 17-19 per cent contrary to the 40 per cent before. As the United Kingdom imports almost half of her food requirement, we think that it would be their interest to have a modification of the agricultural policies of the Common Market which would at the same time offer [*original Hungarian 'secure'*] more opportunities for the Hungarian food export as well. Please, support the advancement of the Hungarian-Common Market agricultural discussions.

- In the spirit of cultivation of Hungarian historical traditions, we request that the British government would change positively its decision concerning the question of returning the ashes of Lázár Mészáros¹, Minister of War [*Defence*] in 1848.

Budapest, 3 January 1984.

¹ Lázár Mészáros (1796-1858) was Minister of War in the Batthyány Government, created in 1848 to secure Hungarian secession from the Habsburg Empire. Mészáros took part in the revolutionary war of 1848-49, as a result of which in 1849 he went into exile. For a while he lived in Turkey, then France, Great Britain and for a while even the USA. He died in Britain. His final request was that he did not wish to return to his home country "until the last foreign soldier has left." His remains were reburied in Baja, Hungary on the 15th March 1991, a bank holiday in Hungary, commemorating the start of the 1848 revolution.

[The folder contains a third document, based on the same typed text as the second document above, but with many handwritten notes and changes (marked here in square brackets). All the notes are embodied in typed form in the first document. The author of the notes is unknown.]

Third document: first draft, amended

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FOREIGN OFFICE

PLAN FOR THEMES OF NEGOTIATION *[underlined by pen]*

for Comrade Lázár to be used during tête-à-tête *[in Hungarian 'eye-to-eye contact', this underlined by pen]* conversation with Margaret Thatcher, British prime minister

- We suggest that Comrade Lázár praise prime minister Thatcher's visit, in whose person we greet the highest ranked British politician in the history of the two countries' relation who has ever visited Hungary. *[The whole sentence crossed, over it written "Praising prime minister Thatcher's visit."]* Underline the importance of discussions in the current tense international situation. We are happy that also from the British part they share our standpoint about the importance of maintaining the dialogue. *[Sentences fully rewritten, new text: "The prime ministerial discussions receive special importance in conditions of international tension. We are happy that also from the British part they find it important to maintain the dialogue."]*

- Express his hope that prime minister Thatcher's discussions in Budapest give an opportunity to overview the most important international questions and the situation of Hungarian-British relations. *[crossed]*

- Give brief information of our internal situation, our economic constructive work, our plans for which realisation we are highly interested in the improvement of international political relations and the prosperity, strengthening of economic relations. *[crossed; next to it note on the left: "The part on page 4." [i.e. these parts should be represented on p.4.]*

- The escalation *[in original Hungarian 'sharpening']* of the international situation, the escalation of arms race, the Eastern-Western *[crossed, above and under it rewritten version: "Also the international situation should be looked through at the plenary session, and also there only broadly [in original Hungarian "in big lines" meaning that "not going into details"], since at the meeting planned with comrade Kádár this will obviously be [in Hungarian "having a role"] emphasised."]*

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relations' retrogression, the activation of power politics, the strengthening of the confrontational line [*in original Hungarian "strength line" i.e. the line which shows a way, a pattern*] fill us with worries, [*e.g. "worries us"*]. We find especially threatening the Western-European deployment of American medium-range missiles. This resulted in the aggravation of the situation, it cannot be feigned that nothing has happened. We still stand for the continuation of discussions, the dialogue, if there is opportunity to discuss in merit. But there is need for those kind of meritable discussions which do not only serve the temporary tranquillisation of the worried public opinion, but for those which lead to a compromise based on equal security. We profess [*'state'*] that the suggestions of the Warsaw Pact serve as suitable basis for this.

[Crossed, rewritten version: "It is not a secret that we are worried about European developments [news], especially because of the situation created by the start of deployment of American medium-range missiles in Western Europe. We judge radically differently the reasons of the situation, [sign of a star, from now on until 'future' the text is above on the page, as there is no more space for notes next to and in the text] it would not have sense to argue about it for long. We should rather discuss [in original Hungarian "change words"] how it should be in future? We are still next to continuing discussions and the dialogue in case there is an opportunity to discuss sensibly [in original Hungarian "in merits"]. Now the main task is to create the suitable conditions for the re-start of sensible discussions. We see this in the situation before the deployment, but what this means and how it can be achieved should be discussed. Unfortunately, we see that the United States is not interested in this; out of military and not least political reasons she [US] wishes to carry out the deployment. From the countries admitting the missiles – especially from England and the FRG – [sign of a star, the text continues on the left side of the paper, as there is no more space for leaving notes] depends to a higher degree how the situation will proceed."]

- Concerning our country's foreign policy, it lies on firm principles [*rewritten version: "Our country's foreign policy lies on firm principles without a change"*] and it does not change according to the wind's blowing. Our aim is that the People's Republic of Hungary's international positions would suffer the least possible harm in this difficult international political and economic situation. It is undeniable that we are a small country and we cannot have a decisive influence on world political questions, [*here a mark or insertion of the following text, which is written on the bottom of the page as there is no more place in the text: "(the sometimes and here and there for us offered role of 'bridge' or 'mediator' in theory is faulty, in practice is unnecessary, it is superfluous to even talk about it)" [here inserted under the main text: "we have entirely fulfilled our obligations as an ally"]*] but according to our humble opportunities we try to give voice to our standpoint. We still wish to stay an open country in terms of political, economic, cultural and human relations as well, based on those principles we undertook by signing the Helsinki accords. [*three grammatical corrections inserted*]

- [*Insertion from the beginning: "It is practical to overview the main components of Hungarian-British relations at the plenary session here only that"*] we evaluate positively the formation of our relations so far. On our side there is every willingness [*original Hungarian word means also 'capability'*] to further improve them based on mutual advantages. [*Sentence rewritten: "We are ready for further improvements."*] We greet that we experience the same willingness from the British government. [*sentence crossed*] The Hungarian government appreciates the support that we received from [*"that we received from" crossed, inserted: 'of'*]

the British government upon our admission to the International Monetary Fund and the World Bank [inserted: "we have received"].

- We consider one of our bilateral relations' most important element the commercial, economic, financial relations. While our commercial turnover with the United Kingdom until 1980 *[crossed out from "While"]*

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was satisfactorily developing, - in our export it occupied the fourth, while in our import the fifth place -, from 1981 it stagnated and therefore *[crossed out, rewritten text: "It is not reasonable [the Hungarian word means also 'legitimate'] and it does not coincide with our purposes that Great Britain"]* in our turnover of goods runs with our developed Western partners in our export fell back to the eighth, in our import fell back to the seventh position. *[The following 2 sentences are crossed out, rewritten sentence: "To change this there would be need of bigger activity and more prospective [in original Hungarian "pointing ahead"] thinking from both parties."]* Our deficit greatly grew at the beginning of the '80s, and this deficit, although its size *[in original Hungarian "its greatness"]* is variable, it is still significant. We wish to change this first of all not by decreasing our import, but by increasing our export.

- The main *[in original Hungarian 'decisive']* reason for the Hungarian export's unfavourable conformation is the economic retrogression and the Common Market's agricultural policy. Furthermore, our textile and steel export to the United Kingdom falls under quantitative restriction. We have remonstrance of principle *[the original Hungarian sentence says "in our remonstrance of principle" –the sentence has no predicate, so there is possible error in the original text. It might be a simple typo - 'van', meaning "there is", for the suffix '-ban' i.e. 'in'.]* against the maintenance of certain narrow *[i.e. it is against only a small group]*, discriminative – which incapacitate our export – contingents. At the moment 4-5 per cent of our export to the United Kingdom falls under such a restriction, we claim its total and final abolition. *[crossed out, next to, on the left, written: "In the plenary!"]*

- We wish to improve the cooperational relations *[crossed out, rewritten: "the cooperational relations could be improved"]* between Hungarian and British industrial companies, both on bilateral and third markets as well /chemical industry, pharmaceutical industry, mining, electronics, computer science/. An important field of extension of relations could be the foundation of joint corporations. We would be willing to see British capital in the establishment of productive joint ventures in Hungary.

- We consider important credit granting which promotes *[facilitates]* businesses. We cannot accept *[crossed out, rewritten: "we would not be willing to see"]* a generalisation *[here inserted: "and from the English part we have not met this"]* which starts out from the unilateral setting of solvency of socialist countries and their volume of debt. *[English meaning unclear]* We positively evaluate the attitude of the Bank of England towards us in the past, very difficult borrowing period, and the support that the British banks give to the Hungarian National Bank's affiliate in London, the Hungarian International Bank. *["Hungarian International Bank" crossed out]*

- Western Europe plays a great role in Hungary's foreign trade. In our whole foreign trade the developed Western

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countries have a share of more than one-third of our foreign trade, and 60 per cent of this is represented by the common market countries. It is important for us that our commercial-political hardships with the European Economic Community (drawbacks of customs, the protectionist characteristic of joint agricultural politic, general restrictions on quantity and discriminative restrictions on quantity) we solve. We pursue constructive solutions and we wait for our British partner's contribution in this.

(The NGKT [*Nemzetközi Gazdasági Kapcsolatok Intézete/Titkársága* = *Institute/Office of International Economic Relations*] prepares a separate material.)

Budapest, 12 January 1984.